BOARD OF DIRECTORS MANUAL

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CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF OF STAFF (COS) PERFORMANCE EVALUATION AND COMPENSATION

Purpose:

To ensure that any compensation program for the CEO and COS is fair, competitive, consistent with the current responsibilities of each position and in keeping with current legislation. Compensation plans will also reflect the level of achievement of annual performance goals and objectives.

Policy re: Compensation Plans

The Board of Directors shall have a written executive compensation program which has been developed according to and in compliance with the Broader Public Sector Compensation Act. The compensation plans shall take into account the market conditions for similar positions of responsibility and include a performance-based compensation component. The compensation plans shall be compliant with relevant legislative requirements.

Policy re: Performance Evaluation:
Performance evaluations of the CEO and COS shall be completed and presented to the Board for approval, annually.

Compensation Program:

- This section will be completed when Provincial legislation and/or regulations provide the authority for performance-based compensation.

Performance Evaluation Process:

- Prior to the commencement of each fiscal year the CEO and COS will, in the context of the approved NHH strategic plan and after receiving the current year's goals and

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objectives of the Board of Directors, develop a number of goals/objectives (Performance Objectives) at least one (1) of which will be prepared and shared jointly.

- A report outlining these Performance Objectives will be made available to the Performance Evaluation and Compensation Committee and, in turn to the Board.
- The Performance Objectives will be developed using the following criteria;
  - Specific)
  - Measureable)
  - Achievable) see Appendix "A"
  - Relevant)
  - Trackable (time bound))
- The Performance Objectives will be subject to review by the Committee quarterly or at such other in-year interval as agreed to by all parties.
- At fiscal year-end, the CEO and COS will each provide a written report to the Committee with full details of their assessment in achieving the Performance Objectives.
- The report will be reviewed by the Committee and be one of the criteria in establishing an annual performance evaluation of the CEO and COS (see Appendix "B").
- The Committee will provide a report of the performance evaluation for approval by the Board prior to the end of the fiscal year.
- The Chair of the Board and Chair of the Evaluation and Compensation Committee will provide the CEO and COS with their individual full performance evaluation following the Board meeting at which it was approved.

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Appendix 'A': Definitions;

Specific - The objective is a clear statement of expectations. It describes an observable action or achievement and is specific about the result, not the way it is achieved.

Measureable -There is a way to assess and describe the result in qualitative and quantitative terms.

Attainable - the objective is realistic and achievable. It is meant to challenge but is neither out of reach nor below an acceptable standard.

Relevant - The objective is consistent with the executive's position in the organization.

Trackable/time bound - There is an achievable time limit/deadline for completion of the objective.

Appendix 'B': Criteria for Annual Performance Evaluation and Performance Based Compensation

- Annual performance objectives
- The hospital's annual Quality Improvement Plan
- 360 degree evaluations from
    - Board of Directors
    - Subordinates
    - Department Chiefs
    - Other physicians
- Enquiry of external sources
    - Ontario Health
    - Home and Community Care
    - Peers
    - Ontario Health Team Northumberland
    - Others considered relevant to the evaluation

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